



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

INFORMATIONAL LETTER NO. 1059

DATE: October 3, 2011

TO: Iowa Medicaid Hospice Agencies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

SUBJECT: Annual Update of Hospice Rates

EFFECTIVE: October 1, 2011

Medicaid Hospice Rates

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

Medicaid Hospice Rates Effective October 1, 2011 – September 30, 2012				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Unweighted Amount
651	Routine Home Care	\$151.23	\$103.91	\$47.32
652	Continuous Home Care	\$881.80 (full rate = 24 hours of care/\$36.74 hourly rate)	\$605.89	\$275.92
655	Inpatient Respite Care	\$164.44	\$89.01	\$75.43
656	General Inpatient Care	\$671.84	\$430.04	\$241.80

The Medicaid hospice payment rates shown above are effective October 1, 2011, through September 30, 2012. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

Wage Indexes

Annual updates to the hospice wage indices were published in the Federal Register (Volume 76, Number 150) on August 4, 2011. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management and Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are

superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2012, the full CBSA-based wage index values have been used.

Room & Board Payments

The room and board payment for hospice residents residing in nursing facilities is ninety-five percent (95%) of the associated nursing facility's base rate.

Additional Information

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609 or email at imeproviderservices@dhs.state.ia.us.